

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INDIVIDUAL METER MEASUREMENT	DOCKET NO. RMU-00-4
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**ORDER COMMENCING RULE MAKING**

(Issued February 15, 2000)

Pursuant to the authority of Iowa Code §§ 17A.4 and 476.2, (1999), the Utilities Board proposes to adopt the rules attached hereto and incorporated by reference. These rules amend the requirements contained in 199 IAC 19.3(1)"b" and 20.3(1)"b," with respect to requirements regarding individual meter measurement of multioccupancy premises. The reasons for proposing these amendments are set forth in the attached notice of intended action.

**IT IS THEREFORE ORDERED:**

1. A rule making proceeding, identified as Docket No. RMU-00-4, is commenced for purposes of receiving comments upon the proposed rules attached to this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 15<sup>th</sup> day of February, 2000.

## **UTILITIES DIVISION [199]**

### **Notice of Intended Action**

Pursuant to Iowa Code sections 17A.4, and 476.2 (1999), the Utilities Board (Board) gives notice that on February 15, 2000, the Board issued an order in Docket No. RMU-00-4, In Re: Individual Meter Measurement, "Order Commencing Rule Making." The Board is proposing to rescind current paragraphs 199 IAC 19.3(1)"b" and 20.3(1)"b" and replace them with new paragraphs 19.3(1)"b" and 20.3(1)"b." The Board is proposing to add new paragraphs "c" and "d" to each rule.

The Board's proposed amendments are intended to provide clarification to the Board's policy regarding individual meter measurement. The Board first adopted the original rules in 1978. Congress had enacted the Public Utility Regulatory Policies Act (PURPA) which mandated individual metering and established restrictions in instances in which individual metering was not used to measure electric power in new buildings. 16 U.S.C. §§ 2601-45. The purpose of the individual metering requirement is to provide individual customers with an economic incentive and the means to control energy use. See, Docket No. RMU-78-7.

The Board has amended the original rules twice. See, Docket Nos. RMU-85-5 and RMU-87-12. The Board is proposing changes to make it clear that multioccupancy premises must be individually metered except in certain specific instances. In those specific instances, the renters or owners of the individual units may not be directly billed for their individual electric or natural gas usage.

The rules state three instances in which individual metering is not required. The first is when electricity or natural gas is used in centralized heating, cooling, or water heating systems. Second, facilities that are designated for elderly or handicapped are not required to be individually metered because these facilities usually have community spaces, all utility services are usually included in the rent, and most of the facilities are Housing and Urban Development projects. Requiring individual metering would add significantly to the cost of the project and serve no purpose. Finally, the Board does not require individual metering where it was not required prior to 1966.

In proposed new paragraph "c," the Board has set out a condition that must be met in each instance in which a multioccupancy premise is not individually metered. The condition is that the customer of the utility may not bill individual renters or owners for natural gas or electric costs. If the customer is allowed to bill or resell energy or the benefits derived therefrom, there could be a situation in which the individual renter or owner is improperly or unfairly billed for energy usage. The customer could disconnect the individual renter or owner. In those situations, there is an argument the customer who is reselling could be deemed a "public utility" under Iowa Code § 476.1. See, Iowa State Commerce Commission v. Northern Natural Gas Company, 161 N.W.2d 111 (Iowa 1968). The person who lives in a multioccupancy premises must not be directly billed for energy usage by anyone other than a public utility.

The Board does not find it necessary to propose a separate waiver provision in this rule making. The Board's general waiver provision in 199 IAC 1.3 is applicable to these rules.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed rules. The statement must be filed on or before March 28, 2000, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

If requested pursuant to Iowa Code section 17A.4(1)"b," or on its own motion after reviewing the statements, the Board will determine whether an opportunity for oral presentation should be provided.

These rules are intended to implement Iowa Code chapters 17A and 476.

The following amendments are proposed.

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Item 1. Rescind 199 IAC 19.3(1)"b" and adopt the following new paragraph in lieu thereof:

b. All gas or the benefits thereof delivered to multioccupancy premises where units are separately rented or owned must be sold by the utility on the basis of individual meter measurement for each unit, except in the following instances:

- (1) Where gas is used in centralized heating, cooling, or water-heating systems;
- (2) where a facility is designated for elderly or handicapped persons; or
- (3) where individual metering was not required prior to 1966.

Item 2. Amend subrule 19.3(1) by adding new paragraph "c" and renumbering existing paragraphs "c" and "d," as follows:

c. In all cases in which gas is not sold on the basis of individual meter measurement to a multioccupancy premise, an end user may not be directly billed for individual natural gas consumption or the benefits derived therefrom. Any charge for natural gas or the benefits derived therefrom may only be included as an unidentified portion of the rent, condominium fee, or similar payment.

Item 3. Rescind 199 IAC 20.3(1)"b" and adopt the following new paragraph in lieu thereof:

b. Electricity or the benefits thereof delivered to multioccupancy premises where units are separately rented or owned must be sold by the utility on the basis of individual meter measurement for each unit, except in the following instances:

(1) Where electricity is used in centralized heating, cooling, or water-heating systems;

(2) where a facility is designated for elderly or handicapped persons; or

(3) where individual metering was not required prior to 1966.

Item 4. Amend subrule 20.3(1) by adding new paragraph "c" and renumbering existing paragraphs "c" and "d" as follows:

c. In all cases in which electricity is not sold on the basis of individual meter measurement to a multioccupancy premise, an end user may not be directly billed for individual electric consumption or the benefits thereof. Any charge for electricity or the benefits derived therefrom may be included only as an unidentified portion of the rent, condominium fee, or similar payment.

February 15, 2000

/s/ Allan T. Thoms

Allan T. Thoms  
Chairperson